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**Programme questions: evaluation**

# Evaluation of the United Nations Human Settlements Programme

## Report of the Office of Internal Oversight Services

*Executive Summary*

The present evaluation by the Office of Internal Oversight Services (OIOS) sought to assess the relevance, effectiveness and efficiency of the United Nations Human Settlements Programme (UN-Habitat), and the extent to which UN-Habitat has in place the elements to plan for, manage towards and demonstrate results as it embarks on its strategic plan for the period 2014-2019.

During the period under review, UN-Habitat positioned itself as the lead United Nations agency responsible for an area of growing global priority: sustainable urbanization. This corporate priority has not yet cascaded throughout the agency, however. In some countries, its work lacks a sustainable urbanization focus altogether, despite well-established needs related to urbanization. Such cascading will be necessary if it is to achieve its targeted results on sustainable urbanization in 2014-2019.

There is evidence that UN-Habitat has been effective in delivering its targeted outputs, although credible evidence of accomplishment is more readily available for its global initiatives than for its country operations. Looking ahead, UN-Habitat does not yet have adequate systems in place to credibly demonstrate whether its targeted results will have been achieved in 2014-2019, even for its largest, highest-priority, and highest-risk areas of work.

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Despite well-documented external constraints, UN-Habitat made measurable improvements in its approach to defining and managing towards its targeted results during the period evaluated. These include greater structural alignment to its corporate results targets, mechanisms for improving the quality of its project proposals, the roll-out of an integrated online project management tool, key policies to help steer itself towards the results targeted in 2014-2019 and improved gender mainstreaming. Nonetheless, the absence of several key elements could thwart the future success of UN-Habitat. These include the lack of a risk management mechanism and accountability framework, weaknesses in information and knowledge management and a lack of clear final strategies in a number of key areas, such as resource mobilization and partnerships.

OIOS makes seven recommendations, all of which it deems important according to its criticality rating system. These are that UN-Habitat should:

- Develop a risk management policy and plan of action
- Finalize an accountability framework
- Require the completion of regional strategic plans in all four regional offices and Habitat Country Programme Documents in priority country programmes
- Revise the quality assurance responsibilities entrusted to the Project Advisory Group
- Ensure that the agency's highest-risk initiatives are identified for evaluation, and locate sufficient funds for these evaluations
- Establish a system to organize, store and share information and knowledge
- Conclude the resource mobilization strategy action plan and the partnership strategy.

In its evaluation, OIOS documents positive examples within the agency's own current practice, suggesting that action on these recommendations is within the agency's capabilities.

# I. Introduction

1. The Office of Internal Oversight Services (OIOS) identified the United Nations Human Settlements Programme (UN-Habitat) for evaluation on the basis of a risk assessment undertaken to identify Secretariat programme evaluation priorities. The Committee for Programme and Coordination selected this evaluation for consideration at its fifty-fifth session in 2015 (see A/68/16, para. 158). The General Assembly endorsed the selection, in paragraph 5 of its resolution 68/20.

2. The general frame of reference for OIOS evaluation is provided in the Regulations and Rules Governing Programme Planning, Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, which define the purpose of evaluation as: (a) determining, as systematically and objectively as possible, the relevance, efficiency, effectiveness and impact of the Organization's activities in relation to their objectives, and (b) enabling the Secretariat and Member States to engage in systematic reflection on increasing organizational effectiveness (see ST/SGB/2000/8, Regulation 7.1). The present report has been prepared in conformity with the norms and standards of the United Nations Evaluation Group. The comments of management were sought on the draft report, and were taken into account in the preparation of the final report. The comments of UN-Habitat management are provided in annex II, and its action plan for implementing the OIOS recommendations, all of which it has accepted, is set out in annex III.

# II. Background

## A. Mandate, organization and resources

3. The General Assembly established the United Nations Centre for Human Settlements in 1977 (see resolution 32/162 (III)). In its resolution 56/206, adopted in 2001, it transformed the Commission on Human Settlements and its secretariat, the United Nations Centre for Human Settlements (Habitat), including the United Nations Habitat and Human Settlements Foundation, into the United Nations Human Settlements Programme (UN-Habitat). UN-Habitat is the lead United Nations agency responsible for human settlements.

4. Pursuant to its mandate, UN-Habitat aims to achieve impact at two levels. At the operational level, it undertakes technical cooperation projects, such as the construction of water and sanitation facilities, shelter and other works. At the normative level, it seeks to influence governments and non-governmental actors in formulating, adopting, implementing and enforcing policies, norms and standards conducive to sustainable human settlements and sustainable urbanization. The underlying programme logic of UN-Habitat is summarized in the form of a programme impact pathway, developed for OIOS evaluation (see annex I). Rooted in the UN-Habitat strategic frameworks, the Programme Impact Pathway represents a visual road map conveying how the agency aims to fulfil its mandate and targeted objectives.

5. In response to a 2005 OIOS evaluation, in 2008 UN-Habitat embarked on its first multi-biennial plan, the medium-term strategic and institutional plan for the period 2008-2013. Since 2011, UN-Habitat has been engaged in a reform process, leading to the adoption of a subsequent plan, the strategic plan for the period 2014-

2019 and a corresponding strategic framework for 2014-2015 (see A/67/6 (Prog.12)). In the strategic plan, UN-Habitat restructured its substantive work around seven subprogrammes. Enumerated in order, these are:[1]

- Urban legislation, land and governance
- Urban planning and design
- Urban economy
- Urban basic services
- Housing and slum upgrading
- Risk reduction and rehabilitation
- Research and capacity development.

6. UN-Habitat comprises seven branches corresponding to each of these subprogrammes, as well as the Office of the Executive Director, the Programme Division, the Operations Division, the External Relations Division, three liaison offices and four regional offices.[2] In 2012-2013, UN-Habitat comprised 387 staff.[3] It also retained more than 365 consultants and more than 1,000 project-funded posts at the regional and country levels. As UN-Habitat is a non-resident agency, these individuals constitute a large majority of its field presence.

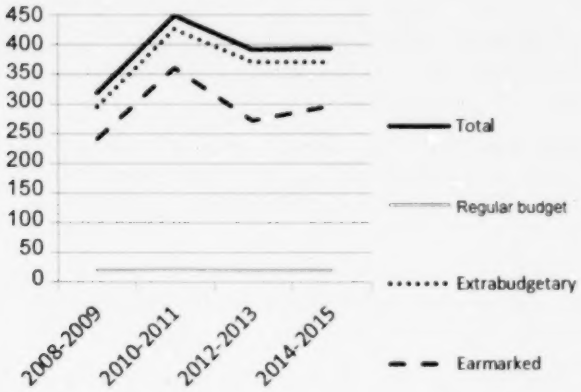
7. Figure I summarizes the agency's budget trends for the four most recent bienniums. UN-Habitat has historically received approximately 95 per cent of its resources from extrabudgetary sources, a large share (i.e., 75 per cent) coming in the form of earmarked contributions. Following a decrease of 13 per cent in the budget for the biennium 2012-2013 from the previous biennium (i.e., from $449 to $391 million), the agency's overall resources have remained stable for the biennium 2014-2015 at $392 million. The proportion of this total comprised of earmarked extrabudgetary contributions has increased, however, while the proportion comprised of its regular budget resources has decreased slightly.

[1] The focus areas of the medium-term strategic and institutional plan were: effective advocacy, monitoring and partnerships; promotion of participatory urban planning, management and governance; promotion of pro-poor land and housing; environmentally sound basic urban infrastructure and services; strengthened human settlements finance systems; and excellence in management.

[2] Memorandum of the Executive Director of UN-Habitat, entitled "Final organizational structure", 7 August 2013.

[3] UN-Habitat staffing table for 2012-2013 submitted to the Board of Auditors.

Figure I
**Total UN-Habitat budget (2008-2015), by regular budget and extrabudgetary sources**
(Millions of United States dollars)




*Source*: HSP/GC/24/5 and A/68/6 (Sect. 15 and Corr. 1).

8. Further background information on UN-Habitat and its operating environment was provided in detail in an inception paper developed at the outset of the present evaluation.

## B. Evaluation framework: scope, purpose and methodology

### Scope and purpose

9. The evaluation sought to determine, as systematically and objectively as possible, the relevance, effectiveness and efficiency of UN-Habitat, as well as its approach to defining, managing towards and demonstrating results in the period 2008-2013. In addition to fostering discussion among Member States, OIOS endeavoured to foster discussion within UN-Habitat on whether it had in place the elements to succeed as it embarked on the 2014-2019 strategic plan.

### Methodology

10. OIOS systematically reviewed evidence from a wide array of sources, including the following:

(a) A formal desk review of more than 660 documents;[4]

(b) Field missions to five case-study countries (Colombia, Egypt, Kenya, Myanmar and Somalia);

[4] Among the many documents included in this desk review was a 2012 midterm evaluation of the performance of UN-Habitat (see "Evaluation of the implementation of UN-Habitat's medium-term strategic and institutional plan 2008-2013", Evaluation Report 1/2012). OIOS used as one input into its own analysis, but did not rely on it heavily, having determined it to be of limited credibility.

(c) A systematic cross-comparison of country operations, entailing an analysis of all available documents and data in 20 countries (the 5 field missions and 15 further countries explored through desk review), representing approximately 26 per cent of all country operations and 68 per cent of the agency's total country portfolio;

(d) Global media scans and bibliometric analyses, involving topical keyword searches to assess coverage of UN-Habitat in the global media and in 10 scholarly journals and trade publications;

(e) Semi-structured interviews and focus groups with 339 individuals, including UN-Habitat staff (248), non-United Nations (32) and United Nations (12) partners, national authorities (20), local authorities (9), Member States (11) and bilateral donors (7);

(f) Self-administered web-based surveys of staff and field-level UN-Habitat representatives (752); global, regional and local partners (189); and sustainable urbanization "thought leaders" (41).

11. The evaluation's key limitation centred on the data gaps described in paragraphs 12-21 below, and on its surveys, which entailed incomplete staff and partner lists and low response rates.[5] To address this limitation, the present report employs survey data only where they aid in the understanding of evidence garnered through other methods. A further challenge was the timing of the evaluation during the shift from the UN-Habitat medium-term strategic and institutional plan for the period 2008-2013 to its strategic plan for the period 2014-2019. While beneficial in its potential for maximizing learning as UN-Habitat embarks on the strategic plan, the timing of the evaluation posed difficulties in that the programme structure and activities OIOS sought to assess in 2008-2013 will not necessarily continue in 2014-2019 (see para. 5 above). OIOS therefore assessed the overall effectiveness of UN-Habitat in achieving the broad programme objectives articulated in the strategic framework for 2012-2013 and the medium-term strategic and institutional plan, rather than disaggregating its analysis by subprogramme. Specifically, these broad objectives are to improve:

(a) Urban planning, management and governance and access to land and housing at the national and local levels for sustainable urbanization;

(b) The monitoring of progress towards the attainment of internationally agreed human settlements goals and targets and raise awareness of sustainable urbanization issues;

(c) Sustainable urbanization through the formulation and implementation of urban and housing policies, strategies and programmes primarily at the national and regional levels;

(d) Access to finance, institutional and policy arrangements for housing and basic infrastructure and services for the urban poor.

[5] The surveys yielded response rates 43.8 per cent (staff), 30.2 per cent (partners); and 56.9 per cent (thought leaders).

# III. Evaluation results

## A. Although its individual global programmes exhibit evidence of outputs achieved, UN-Habitat has not consistently or systematically documented its own outcome-level performance, a gap particularly pronounced in its country operations

### Mixed evidence for global-level results, with existing evidence largely at output level

12. OIOS assessed the effectiveness of the 12 largest global initiatives of UN-Habitat that are slated to continue in the period 2014-2019. Figure II provides an overview of these initiatives, together with their estimated 2012-2013 budgets and the OIOS quality assessment rating of the extant evaluations conducted of these initiatives.

Figure II
**Overview of global initiatives assessed**

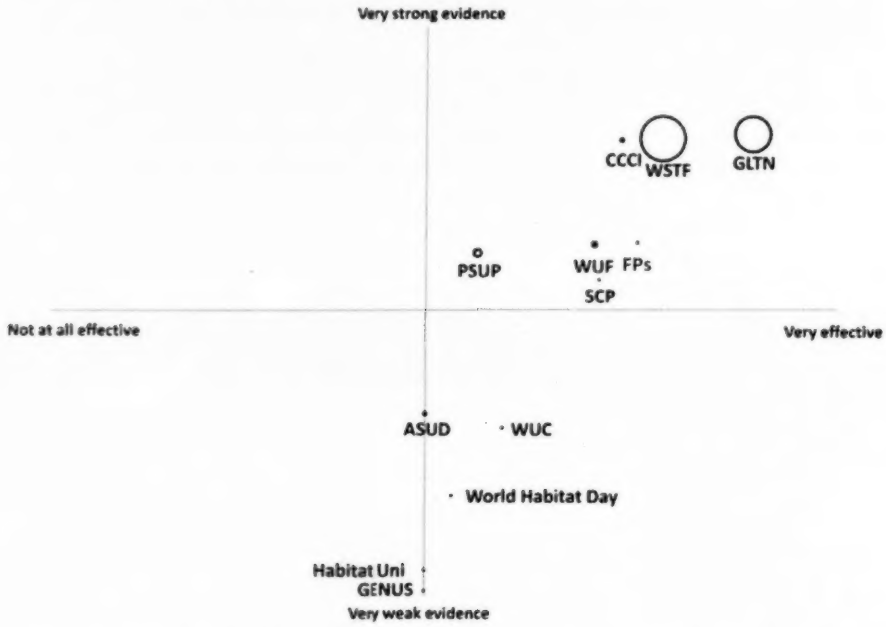
| Global initiative | Work | Estimated budget, 2012-2013, in USD | Evaluation quality |
|---|---|---|---|
| Water and Sanitation Trust Fund (WSTF) | Works on improving delivery of water and sanitation | 40.7 million[a] | Satisfactory |
| Global Land Tool Network (GLTN) | Aims to contribute to land reform and security of land tenure | 32.1 million[b] | Satisfactory |
| Participatory Slum Upgrading Programme (PSUP) | Aims to strengthen the capacity in settlement and slum improvement through pilot projects | 6.4 million | Unsatisfactory |
| World Urban Forum (WUF) | Held every two years to examine pressing issues in the area of human settlements and urbanization | 4 million[c] | Satisfactory |
| Cities and Climate Change Initiative (CCCI) | Helps develop and implement urban climate change policies through adaptation and mitigation tools | 2.7 million | Satisfactory |
| Achieving Sustainable Urban Development (ASUD) | A pilot of the new urban paradigm as reflected in the 2014-2019 Strategic Plan | 2.4 million[d] | ND |
| Flagship publications (FPs) | The two flagship publications; the Global Report on Human Settlements (GRHS) and the State of the World's Cities (SWC) | 741,000 | Satisfactory |
| Safer Cities Programme (SCP) | Works on supporting cities and towns in adopting urban safety strategies and action plans | 250,000 | Unsatisfactory |
| World Urban Campaign (WUC) | An advocacy and partnership platform focusing on placing urban issues in the development agenda | 260,000 | ND |
| Global Energy Network for Urban Settlements (GENUS) | Works on the design and implementation of energy-access projects | 111,250[e] | ND |
| World Habitat Day (WHD) | Held every year as an opportunity to reflect on the state of cities and the basic right to adequate shelter | Budget unknown | ND |
| Habitat University Initiative (Habitat UNI) | Works in promoting cooperation with institutions of higher education | Budget unknown | ND |

*Source*: OIOS desk review.
*Abbreviation*: ND, none documented.
[a] This overall figure comes from more than 40 separate budget lines.
[b] This figure comes from 8 separate Global Land Tool Network projects.
[c] The budget for the seventh World Urban Forum.
[d] The amount is prorated for the 2012-2013 period.
[e] The budget is for 2012 only.

13. Figure III graphically summarizes the OIOS assessment of the output-level effectiveness of these initiatives, with an indication of the overall strength of the evidence at hand.[6]

Figure III

**Summary of the OIOS assessment of the effectiveness of global initiatives, including strength of evidence**




*Note*: Circle sizes correspond proportionally to global initiatives' relative budget sizes indicated in figure II.

*Source*: OIOS.

*Abbreviations*: ASUD, Achieving Sustainable Urban Development; CCCI, Cities and Climate Change Initiative; FP, flagship publications; GENUS, Global Energy Network for Urban Settlements; GLTN, Global Land Tool Network; Habitat Uni, Habitat University Initiative; PSUP, Participatory Slum Upgrading Programme; SCP, Safer Cities Programme; WSTF, Water and Sanitation Trust Fund; WUC, World Urban Campaign; WUF, World Urban Forum.

14. Figure III presents a mixed picture of effectiveness. A number of initiatives have demonstrated relatively strong evidence of output delivery, although the strength of the evidence for these initiatives' effectiveness varies considerably. There is strong evidence, rooted in high-quality evaluations, for the effectiveness of the Global Land Tool Network, the Water and Sanitation Trust Fund[7] and the Cities and Climate Change Initiative at the output level. For example: the Global Land Tool Network has produced a wide array of high-quality land tools; the Water and Sanitation Trust Fund

[6] OIOS defined effectiveness according to each initiative's own indicators, and assessed effectiveness on the basis of a desk review of existing evaluations and audits, as well as interview and survey data from stakeholders most familiar with the initiative. The strength of evidence rating was based on the number of quality of the sources triangulated.

[7] Renamed the Urban Basic Services Trust Fund in 2014.

has provided water and sanitation to poor communities, supported training events and introduced technical toolkits and guidelines; and the Cities and Climate Change Initiative has delivered capacity-building and climate change tools at the city level and influenced national policy formulation (e.g., in Sri Lanka). Similarly high, though somewhat lower, overall effectiveness is evident for the flagship publications, the World Urban Forum, the Safer Cities Programme and the Participatory Slum Upgrading Programme, but the evidence underlying these claims is less strong. For all of these initiatives, evidence for the end results achieved through the corresponding outputs is weak: ample evidence exists that UN-Habitat produced documents, policies and other outputs — often of very high quality — but whether these outputs resulted in desired policy changes, or enhanced knowledge, attitudes or behaviours, has not been systematically documented.

15. Five global initiatives, shown on the lower half of figure III, lacked sufficient evidence on which to assess the effectiveness of UN-Habitat, either because no evaluation had been conducted (e.g., Global Energy Network for Urban Settlements, Habitat University Initiative, World Habitat Day, World Urban Campaign), or because the initiative was too early in its development to adequately assess effectiveness (e.g., Achieving Sustainable Urban Development).

**Effectiveness of country operations largely undocumented at either output or outcome level**

16. Of the 20 countries OIOS reviewed, effectiveness-related evidence was forthcoming for only 8; in the remaining 12, no evidence of any kind related to effectiveness was made available, despite repeated requests. Thus, the OIOS assessment of UN-Habitat performance at the country level was limited to those eight operations for which evidence was made available. Figure IV summarizes the varied sources of evidence for these countries. Figure V shows the results of the OIOS analysis.

Figure IV
**Sources of evidence for country operations**

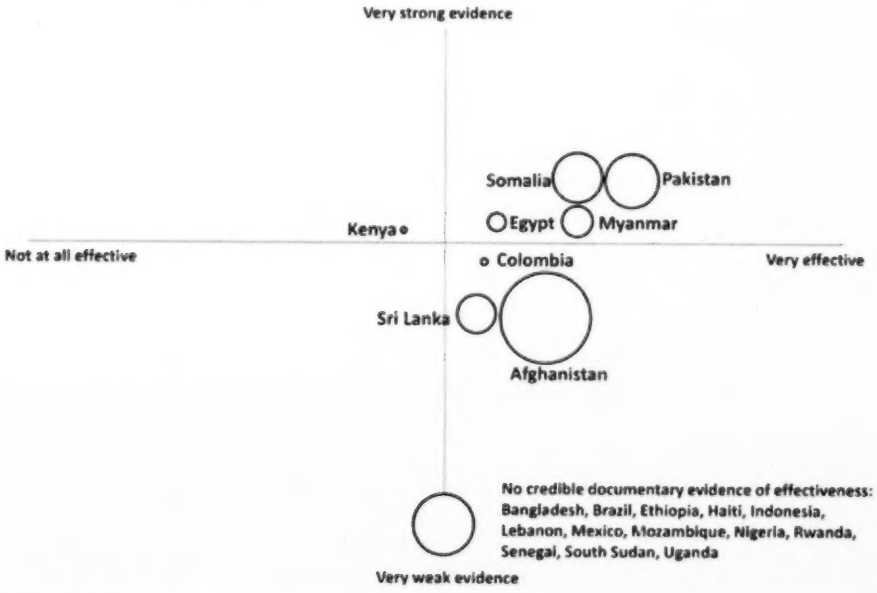
| | Source of evidence | | | | | | Estimated budget for ongoing projects as of 2014, in millions of US dollars |
|---|---|---|---|---|---|---|---|
| Country | Key informant interviews | Beneficiary interviews | Observation | Evaluation | Quality of evaluation | Internal reporting documents | |
| Afghanistan | Yes | No | No | No | N/A | Yes | 82.5 |
| Columbia | Yes | Yes | No | No | N/A | Yes | 5.9 |
| Egypt | Yes | Yes | Yes | No | N/A | Yes | 16.5 |
| Kenya | Yes | Yes | Yes | No | N/A | Yes | 5 |
| Myanmar | Yes | Yes | Yes | No | N/A | Yes | 28 |
| Pakistan | Yes | No | No | Yes | Satisfactory | Yes | 49 |
| Somalia | Yes | Yes | Yes | Yes | Unsatisfactory | Yes | 45.2 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Sri Lanka** | Yes | No | No | No | N/A | Yes | 34.9 |
| **Bangladesh, Brazil, Ethiopia, Haiti, Indonesia, Lebanon, Mexico, Mozambique, Nigeria, Rwanda, Senegal, South Sudan, Uganda** | Yes (Mexico, South Sudan) | No | No | No | N/A | Yes (Mozambique) | 55.1 |

*Abbreviation*: N/A, not applicable.

Figure V

**Summary of the effectiveness of country operations, including strength of evidence for assessment**




*Source*: OIOS.

*Note*: Circle sizes correspond proportionally to country operations' relative portfolio sizes indicated in figure IV.

17. Seven countries are located in the right-hand side of the figure, indicating a degree of effectiveness, but all of these hover just above or below the horizontal line, owing to a weak overall evidence base. Country programmes have largely delivered outputs, but few have attempted to systematically document their own performance at the outcome level; even fewer have done so at a sufficiently high quality on which to draw conclusions on overall programme performance. Only one, Pakistan, has delivered a recent evaluation of satisfactory quality.

18. As paragraph 16 above indicates, this dearth of robust data led OIOS to rely largely on anecdotal self-assessments of UN-Habitat staff and partners, and on its own field observations. Its conclusions based on these sources are as follows:

(a) In emergency-affected countries, UN-Habitat has produced tangible gains. In Myanmar and Somalia, this has been in the form of water and sanitation facilities (Myanmar) and permanent resettlement shelters for internally displaced persons (Somalia). In Myanmar, UN-Habitat also helped to produce a national environmental conservation policy and establish an institute aimed at influencing urban policy. In Afghanistan and Sri Lanka, there is evidence of effectiveness in community-driven housing and infrastructure reconstruction. Evidence of outcomes was unavailable, however, since neither operation has recently invested in evaluation, despite a long-standing presence and a large portfolio. In Pakistan, there is evidence that UN-Habitat has been effective in coordinating, through owner-driven approaches, the reconstruction of housing, infrastructure and data management systems destroyed by natural disasters;

(b) In Colombia and Egypt, where UN-Habitat primarily undertakes normative work with government counterparts, it produced mixed results. In Egypt, the principal output has been the production of urban plans for small cities; however, these have not been implemented. In Colombia, it helped to create the National Association of Capital Cities. In both countries, however, government counterparts and staff highlighted administrative bottlenecks as constraints to improving effectiveness. As elsewhere, OIOS was unable to establish the contribution of UN-Habitat to outcome;

(c) Three countries demonstrated lower levels of success, although evidence for this assessment is mixed. In Kenya, in addition to uncovering examples of success in the area of water and sanitation in Lake Victoria, OIOS fielded concerns over non-delivery in the area of slum upgrading in Nairobi, where UN-Habitat is headquartered.[8]

**Inadequate investment in outcome-focused evaluation**

19. As the foregoing discussion highlights, very few of the global initiatives or country operations reviewed had been subjected to evaluation during the period reviewed by OIOS, and even fewer are of sufficiently high quality to provide credible evidence of results achieved. Among the 75 country operations of UN-Habitat, only 3 have conducted evaluations of any kind since 2008, and only 2 were of sufficient quality to provide credible evidence of results.[9] This low level of outcome-focused evaluation coverage exists even in large and longstanding operations and those in high-risk settings. Of the six largest projects (all larger than $10 million), only two have evaluations planned and budgeted. The umbrella pilot Achieving Sustainable Urban Development initiative, although too young to assess, does not include any provision for future programme-wide evaluation, despite its promotion as the laboratory for the UN-Habitat approach to sustainable urbanization.

20. As a result of these data gaps, OIOS was unable to make credible conclusions on the overall performance of UN-Habitat against the broad objectives of its strategic framework, as summarized in paragraph 11 above (and echoed in the Programme

[8] In interviews, Kenya was the most frequently cited example of non-success at the country level.

[9] In contrast to many of the evaluations managed elsewhere within UN-Habitat, OIOS deemed those managed by the Evaluation Unit to be of largely satisfactory quality.

Impact Pathway for 2008-2013, contained in annex I). Neither the anecdotal perceptions gleaned from interviews nor the self-reported accomplishments conveyed in UN-Habitat communications constituted sufficient substitutes for such robust evidence.

21. The ability of OIOS to draw conclusions on the overall performance of UN-Habitat was further limited by the variable degree of clarity in the linkage between global initiatives and country operations, on one hand, and the objectives outlined in the strategic framework for 2012-2013, on the other.[10] A desk review of relevant documents found all the major global initiatives to be clearly linked to one or more of the agency's four strategic objectives for 2012-2013, and to its medium-term strategic and institutional plan.[11] By contrast, the alignment of country operations with the objectives of the strategic framework for 2012-2013 or the medium-term strategic and institutional plan was far less clear.[12] Result statement B therefore addresses the broader relevance of UN-Habitat.

## B. In positioning itself as the lead United Nations programme on sustainable urbanization, UN-Habitat has risen to address a growing global priority and sharpened its corporate focus, but this shift has yet to cascade throughout the agency

22. Rapid urbanization, its causes and effects, are phenomena well supported by global demographic data.[13] Member States have recognized these phenomena, and the role of UN-Habitat in addressing them. Since the second United Nations Conference on Human Settlements (Habitat II), Member States have framed the mandate of UN-Habitat of ensuring adequate shelter for all and promoting sustainable human settlements development in the context of an urbanizing world. In the outcome document of the United Nations Conference on Sustainable Development, entitled "The future we want", world leaders highlighted the importance of cities in wider sustainable development. This shift is borne out in the medium-term strategic and institutional plan for the period 2008-2013 and the strategic framework for 2012-2013, in which Member States have formally endorsed the framing of the objectives of UN-Habitat around the goal of sustainable urbanization,[14] and is reflected in the strategic plan for the period 2014-2019. In addition, as part of the post-2015 development agenda, the Open Working Group of the General Assembly on Sustainable Development Goals has proposed a stand-alone sustainable development

[10] For 2012-2013, the agency's main frame of reference was the medium-term strategic and institutional plan, which was not aligned on the strategic framework for 2012-2013. Moreover, UN-Habitat was transitioning to its strategic plan, rendering any overall conclusion of alignment to the strategic objectives for 2012-2013 difficult.

[11] In the OIOS desk review, the global initiatives exhibited an average level of alignment of 3.77 on a scale from 1 to 4, where 1 = Not at All Clearly Aligned and 4 = Very Clearly Aligned (with at least one strategic objective as per the strategic framework or the medium-term strategic and institutional plan).

[12] No evidence of any kind was made available for 5 of the 20 countries. The desk review of the remaining 15 countries revealed an average level of alignment of 2.68 on the same scale described above.

[13] United Nations, Department of Economic and Social Affairs, Population Division, *World Urbanization Prospects: The 2014 Revision, Highlights*, 2014 (ST/ESA/SER.A/352); see also http://data.worldbank.org/topic/urban-development?display=graph.

[14] See A/65/6 (Prog. 12), subprogrammes 1, 2 and 3.

goal, namely to "Make cities and human settlements inclusive, safe, resilient and sustainable".

23. Within this context, UN-Habitat has shaped its corporate identity around the issue of sustainable urbanization and has anchored its internal reform process in this shift. All interviewed stakeholders, including partners and Member States, acknowledged the relevance of UN-Habitat in addressing the growing global priority of sustainable urbanization, even though two stakeholders cautioned that this focus should not be to the detriment of the agency's broader focus on human settlements. They also cited the relevance of UN-Habitat in terms of its unique value-add compared with other actors, predominantly its convening power as a United Nations agency, notably with the World Urban Forum as a networking and knowledge-sharing opportunity, and the technical expertise of its staff. Thought leaders surveyed echoed these sentiments.

**Insufficient cascading of corporate focus throughout the agency**

24. Despite this strategic positioning at the global and normative level, the efforts of UN-Habitat have yet to fully cascade throughout the agency. For instance, despite the agency's shift towards sustainable urbanization, a number of countries in the OIOS review maintain a predominant focus on rural development, despite recognized sustainable urbanization needs, and neither the strategic plan for the period 2014-2019 nor the strategic framework for 2014-2015 provides explicit direction on how the agency will bridge its rural and urban foci moving forward. At the regional level, only two of the four regional offices have begun to develop regional strategic plans to translate the broad corporate goals of UN-Habitat into specific contextual strategies for their regions.

25. This gap is particularly pronounced at the country level. In its Action Plan for the medium-term and strategic institutional plan, UN-Habitat committed to preparing Habitat Country Programme Documents in at least 30 countries by 2013. The Documents articulate how UN-Habitat country operations align with the overall corporate strategic priorities within the country context at hand — and with national priorities, evidenced needs and inter-agency processes. In interviews and surveys, there was strong support for the value of Habitat Country Programme Documents, including among the country-level staff involved in developing them.

26. Despite the value of Habitat Country Programme Documents as a strategic bridge between the corporate and the country level, however, in 2013 UN-Habitat discontinued them, citing resource constraints. As a result, among the 20 countries in the OIOS review, only 4 had Habitat Country Programme Documents in force in 2012-2013 or 2014-2015. Among these, the format and quality were inconsistent. Moreover, the OIOS review of all 77 project documents for ongoing projects in these 20 countries revealed that under half (35) showed explicit alignment with national priorities. It also revealed a positive correspondence between the quality of the Documents and the level of strategic focus of projects: projects in the few countries with Habitat Country Programme Documents in place, and in particular countries with higher-quality Documents tended to show clearer alignment with national priorities, albeit not explicitly sustainable urbanization priorities.

## C. UN-Habitat has made measurable progress in its approach to planning for, managing towards and assessing its targeted results in the period 2014-2019 compared with its approach in 2008-2013

27. One aspect of the OIOS evaluation was to determine the extent to which UN-Habitat has in place key elements to plan for, manage towards and assess results in its strategic plan for 2014-2019 compared with what it had in place during the medium-term strategic and institutional plan for 2008-2013. A summary of the presence of 40 such elements at the outset of each of these two six-year periods is set out in figure VI.[15]

[15] This list stems from two main sources: mandated elements, and good practices that OIOS has observed throughout the Secretariat, including UN-Habitat, which help programmes to manage performance against targeted results.

Figure VI

**Presence of key elements in planning for, managing towards and assessing results at outset of the medium-term strategic and institutional plan for the period 2008-2013 and the strategic plan for the period 2014-2019**

| | | 2008 Outset of MTSIP | 2014 Outset of SP |
|---|---|---|---|
| Planning for results | Six-year plan within which to frame strategic frameworks | Yes | Yes |
| | Congruence between strategic plan, strategic frameworks, workplans and organizational structure | No | Yes |
| | Senior management retreat to maximize awareness and understanding of, and support for, the strategic plans | Yes | Yes |
| | Wider dissemination/communications strategy to roll out the strategic plan throughout the agency | ND | ND |
| | Body to ensure coherence and relevance of projects with the UN-Habitat's mandate and strategic plan | Yes | Yes[a] |
| | Regional strategies mirroring the strategic plan | No | No |
| | Risk management mechanism | No | No |
| Managing toward results | Accountability framework | No | No |
| | Final approved Secretary-General's bulletin | Yes | No |
| | Capacity development for RBM, including guidance tools | No | Yes |
| | Established policy function | No | Yes |
| | Presence of policies/strategies in key areas: | | |
| | Results-based management policy | ND | Yes[d] |
| | Cost allocation and recovery policy | ND | Yes[c] |
| | Resource mobilization strategy | ND | Yes[c] |
| | Partnership strategy | ND | Yes[b] |
| | Knowledge management strategy | ND | Yes[b] |
| | Communications strategy | ND | Yes[c] |
| | Climate change strategy | ND | Yes[b] |
| | Human rights strategy | ND | Yes[c] |
| | Emergency response protocol | ND | Yes[c] |
| | Mobility policy | ND | Yes[c] |
| | Gender policy | Yes | Yes[d] |
| | Strategic policy on human settlements in crisis | Yes | Yes[a] |
| | Youth strategy | Yes | Yes |
| | Publication policy | Yes | Yes[c] |
| | Strategy addressing urban and rural development linkages | ND | ND |
| | Policy linking operational and normative work (ENOF) | Yes | ND |
| | Monitoring system | Yes | Yes |
| | Existence of evaluation function | Yes | Yes |
| Assessing Results | Presence of baseline data for the SP | No | Yes |
| | Evaluability assessment of the SP | No | No |
| | Policy on monitoring of results | ND | ND |
| | System for monitoring corporate results | ND | ND |
| | System for monitoring country-level results | ND | ND |
| | Dedicated Evaluation Unit | No | Yes |
| | Evaluation policy | No | Yes |
| | System for tracking evaluation recommendations | No | Yes |
| | Existence of a concrete evaluation plan | Yes | Yes |
| | Evaluation plan is based on systematic assessment of risks | No | No |
| | Highest-risk evaluation priorities are funded | No | No |

*Source*: OIOS desk review.

*Abbreviations*: ENOF, Enhanced Normative and Operational Framework; MTSIP, medium-term strategic implementation plan; ND, none documented; RBM, results-based management; SP, strategic plan.

[a] Element put in place in 2008-2009. [b] Element put in place in 2010-2011. [c] Element put in place in 2012-2013. [d] Element put in place in 2014.

28. UN-Habitat has made measurable progress in its approach to results over time. In planning for results, for example, although both periods espoused six-year plans, the UN-Habitat strategic framework for 2014-2015 and organizational structure are now explicitly aligned with its strategic plan for 2014-2019. At an overarching tactical level, UN-Habitat pursued a more inclusive process in the development of the strategic plan for 2014-2019, bringing together more than 75 senior managers from Headquarters and regional offices in September 2013 to reflect on lessons learned from the medium-term strategic and institutional plan and develop implementation plans for the new strategic plan.

29. UN-Habitat has also improved its approach to managing towards results between the periods 2008-2013 and 2014-2019. It has established policies in a number of areas which, though crucial to its work, were missing in 2008. In 2012, it developed the project accrual and accountability system, an online project management tool integrating all programme and project planning, monitoring, reporting and evaluation. Aided by a donor contribution, UN-Habitat also began training staff to internalize a results-based management approach, developed tools to support the initiative and identified and trained a cadre of 25 staff to serve as "results-based management champions". By the end of 2013, 63 per cent of staff had received training in results-based management. This effort appears to be yielding benefits: in interviews and surveys, staff noted an overall improvement in the culture of results compared with the period of the medium-term strategic and institutional plan.

30. UN-Habitat has also made measurable progress in its approach to assessing results. In 2012, UN-Habitat created a distinct Evaluation Unit, backed by clear terms of reference and a strong evaluation policy, and introduced a system for tracking evaluation recommendations. UN-Habitat has meanwhile established baseline figures and targets for its strategic plan for 2014-2019 and a clear accompanying strategy for monitoring its progress. This includes an integrated monitoring and reporting function in its project management tool, the project accrual and accountability system, which will feed into the overall United Nations monitoring system. UN-Habitat also plans for the roll-out, by 2016, of results-based self-evaluation of closing projects.

31. These advances are nevertheless matched by significant gaps. UN-Habitat lacks key policy or strategy documents to help to facilitate the cascading of its corporate vision throughout the agency (e.g., an accountability framework delineating the specific roles and responsibilities of each level of the organization in relation to others (see paras. 24-26 above)).[16] Communications in this area have also been weak, with a communications strategy to facilitate such cascading lacking to date, and numerous policies missing from the UN-Habitat Intranet (see para. 40 below). Other key policies stayed in draft form for extended periods, with at least two lingering for more than 24 months without finalization. Six of the 19 policies reviewed by OIOS do not define roles and responsibilities for implementation.

32. With regard to assessment by UN-Habitat of results, previous reports of OIOS and UN-Habitat have documented the underfunding by the agency of the evaluation

[16] UN-Habitat claims that an accountability framework has been under development since August 2012, but, despite numerous requests, this document was not forthcoming in the OIOS evaluation.

function.[17] Moreover, OIOS verified that the workplans of the Evaluation Unit are not based on a systematic assessment of the agency's highest-priority risks. Together, these gaps contribute to insufficient evaluation coverage by the agency, even in areas of high risk (see para. 19 above). Reviews and evaluations conducted during the medium-term strategic and institutional plan for 2008-2013 consistently pinpointed the inability of UN-Habitat to produce robust evidence of results, a gap that the agency's baseline study in 2014 of the strategic plan for 2014-2019 highlighted as likely to continue, barring remedial action.

33. Evaluation statements D and E below address specific functional gaps in these and other areas.

## D. Structural constraints, as well as weaknesses in critical internal functions and processes, have hampered the agency's ability to achieve results

34. Resource constraints aside (see para. 7 above), OIOS noted two structural constraints affecting the ability of UN-Habitat to achieve results. One of these is governance reform, on which the Governing Council had not reached a decision as of its last session in 2013. All stakeholders interviewed, including Member States, agreed that this state of uncertainty must be resolved for UN-Habitat to effectively attend to its programme priorities. The second constraint is the effectiveness and efficiency of the United Nations Office at Nairobi, cited in prior evaluations and echoed in staff and partner interviews and surveys, as well as four of the five country case studies, in the present evaluation. UN-Habitat must seek to manage these challenges within a risk management system, but their influence on the agency's ability to achieve results is nonetheless well documented.[18]

35. Beyond these factors, several internal functions and processes endemic to UN-Habitat warrant strengthening. These include internal coordination, information and knowledge management, and risk management.

### Internal coordination mechanisms not optimized

36. UN-Habitat has a number of mechanisms in place to foster both vertical coordination (i.e., among the three levels of the agency) and horizontal coordination (i.e., across organizational units such as headquarters branches and among the regional and country offices). These include the senior managers meeting (every week) and the UN-Habitat Management Board meeting (every three weeks), as well as regular meetings of the branches and formal interactions between headquarters and the regional offices. According to the staff interviewed, however, most coordination occurs informally, on the basis of personal relationships, and these formal mechanisms could be strengthened so as to make the agency function more efficiently. Staff provided examples of headquarters and the regional offices working in parallel at the country level, for example, and in two country case studies staff reported receiving uncoordinated and sometimes contradictory information from different

[17] UN-Habitat biennial report on evaluation 2012-2013, paras. 21-24; and OIOS biennial report on evaluation 2012-2013.

[18] HSP/GC/24/7, para. 43; Report of OIOS on the United Nations Office at Nairobi, 2010; and Peer review of the implementation of the UN-Habitat medium-term strategic and institutional plan for 2008-2013, 2010.

levels of the agency. Staff also gave examples of the branches sometimes being reluctant to share their partner databases, and competing for funding from the same donors. Half of the 19 evaluations OIOS reviewed, as well as the record of the UN-Habitat Strategic Retreat in September 2013, corroborate these concerns relating to coordination.

37. The Project Advisory Group, a review structure set up in 2009, has significant but still-unmet potential to foster greater formal coordination. The Project Advisory Group mechanism was designed to strengthen the quality assurance of project documents, and the alignment of projects with corporate objectives, and help in breaking down horizontal and vertical silos. UN-Habitat consequently set up the Project Advisory Group at headquarters, as well as regional project advisory groups with delegated authority to review and approve projects. The composition of the headquarters Project Advisory Group includes all four regional directors. The regional project advisory groups, while including headquarters-based units such as finance, gender, evaluation and knowledge management, do not formally include branch coordinators, although they must closely consult with the branches. The participation of the branches in the regional project advisory groups has been low, with potentially negative implications for the technical feasibility of projects and a holistic corporate perspective.[19]

38. A further risk is that staff proposing projects at a decentralized level might also be involved in approving them, posing a potential conflict of interest. Project proposers were present in all of the 19 regional project advisory group meetings the minutes of which were reviewed by OIOS, and in some cases they represented a majority present. Moreover, in none of the of the regional project advisory groups' notes reviewed was the project approval process clear: no meeting minutes specified whether project proposers had also been included in decision-making. Indeed, a transparent accounting of project advisory group deliberations and decision-making was rare: among the 77 projects OIOS reviewed, in only 27 cases had meeting minutes of the project advisory group been uploaded to the project accrual and accountability system.

**Information and knowledge management insufficient**

39. At least 10 previous evaluations and audits have pointed to shortcomings in information and knowledge management within UN-Habitat. These shortcomings might be related in part to the aforementioned weaknesses in internal coordination.

40. With regard to information management, updating of the UN-Habitat Intranet is not routine, including for frequently occurring events (e.g., Board meeting records, speeches of the Executive Director, reports of the Office of the Executive Director). At the time of the OIOS data analysis, the Intranet only included half of the policies indicated in figure VI above. The highest level of awareness for any one policy was only 58 per cent among managers and 50 per cent among staff surveyed. Moreover, monitoring and evaluation reports other than those produced and supported by the Evaluation Unit are not centrally available. OIOS and its UN-Habitat focal points directly experienced these information management gaps in the present evaluation in their unsuccessful attempts to obtain basic information,

[19] Branches actively participated in 3 of the 16 regional project advisory groups reviewed.

such as full and accurate staff and partner lists (see paras. 6 and 11 above) and numerous documents.

41. These gaps have important ramifications for knowledge management. The lack of centrally available monitoring and evaluation information, for example, greatly reduces the likelihood that knowledge from these sources will be used to improve performance. The development and use of internal knowledge sources is also low in programme and project design. In the "lessons learned" sections in 77 project documents, staff explicitly pinpointed lessons or best practices for application to their own work in 43 cases; in 34 cases they did not.

42. In order to address these gaps, in 2010, UN-Habitat drafted a knowledge management strategy, articulating its vision of becoming the "premier reference center for information, knowledge and strategic learning about sustainable urbanization".[20] As with other strategies and policies, however, the strategy does not define roles and responsibilities surrounding accountability for the implementation of the strategy, and UN-Habitat has not yet decided on the final functions or location of the knowledge management support unit.

43. A further platform intended to improve both information and knowledge management is the project accrual and accountability system (see para. 29 above). OIOS was unable, however, to extract budget information on the UN-Habitat global initiatives from the accountability system, or monitoring information for projects valued at more than $25 million. Moreover, of 151 project documents for the 20 countries reviewed, 63 (42 per cent) remained empty in the project accrual and accountability system.

**Risk management neglected**

44. Numerous sections of the present report highlight the specific reputational, human and programmatic risks that UN-Habitat faces in meeting its targeted objectives (see paras. 15-21, 24-26, 31-32, 34-43 and 49-55.) More generally, UN-Habitat operates in inherently high-risk environments, with 7 of its 10 largest country programmes (i.e., 63 per cent of its country portfolio in financial terms) located in emergency-affected contexts.

45. One broader risk, identified in the strategic plan for 2014-2019, is that UN-Habitat lacks the financial and human resources to meet stakeholders' expectations. UN-Habitat is financially dependent upon a small number of core donors and, despite evidence pointing to its relevance (see paras. 22-23 above), it has faced unpredictability in its core resources.[21] However, it still faces resource mobilization challenges in its efforts to reverse this trend (see paras. 52-55).

46. Partially as a result of these financial constraints, UN-Habitat human resources have likewise become overstretched, with consultants carrying out core functions in some cases. At the country level, UN-Habitat resorts to third-party service providers, primarily the United Nations Development Programme or the United Nations Office for Project Services, for staff recruitment in its operations outside Nairobi. These individuals make up 83 per cent of country "staff", according to

[20] UN-Habitat, "UN-Habitat's knowledge strategy: building a knowledge-based organization", Nairobi, May 2010, executive summary.

[21] OIOS did not systematically analyse the various factors contributing to the agency's resource constraints.

available data. Although UN-Habitat presents this arrangement as a potentially cost-effective staffing modality, OIOS found that it is not without risk. These personnel, for example, do not have any delegated financial, supervisory or certifying authority,[22] resulting in administrative bottlenecks that affect delivery (see paras. 34 and 44-45 above). More broadly, this arrangement bears the risk of hampering the cascading of, and accountability for, corporate results, and for long-term retention of institutional knowledge (see paras. 24-26 and 39-43 above).

47. The identification and management of risks represent key aspects of strategic planning of and management towards results. There are recent improvements in this area, but the risk management systems of UN-Habitat are insufficient for managing its significant risk profile.[23] UN-Habitat has participated in a Secretariat-wide process on enterprise risk management, but has yet to unveil a plan for developing its own entity-specific framework. In addition, the project template of the project accrual and accountability system includes a risk management element at the project design phase, but risks are often analysed only informally at the country level. Of 77 ongoing project documents, only 37 clearly identify risks and specific measures for managing them. This low level of attention to risk was corroborated in four out of five case-study countries, in which OIOS noted incongruence between the risks identified in planning documents and those ultimately borne out.

## E. UN-Habitat has not catalysed partnerships or resources at a scale commensurate with its broad, multifaceted mandate

48. As discussed in paragraphs 22 and 23 above, UN-Habitat has positioned itself as the lead United Nations agency for sustainable urbanization, which has entailed new activities and outputs. At the same time, its resource constraints are well documented, posing the risk that expectations will exceed its capacity to deliver in the period 2014-2019.[24] UN-Habitat is attempting to prioritize its work by focusing only on the outputs approved as part of the work programme and budget for 2014-2015.[25] While acknowledging these strides, OIOS documented outstanding gaps in the work of UN-Habitat to mobilize partnerships and resources, both vital elements for catalysing action on sustainable urbanization given the mandate and constraints of the agency.

### Partnerships

49. UN-Habitat engages in a variety of partnerships at all levels of the organization. In Habitat II, non-State actors played a central role, and the ensuing Habitat Agenda document defined partners as essential to the attainment of its goals. UN-Habitat reaffirmed the centrality of partnership in the achievement of its objectives in the medium-term strategic and institutional plan and the strategic plan,

[22] "Independent review of administrative roles and responsibilities of UNEP, UN-Habitat and UNON in human, financial and physical resources managements" (16 to 26 April 2012), para. 59.

[23] Internal audit risk assessment of UN-Habitat, OIOS Internal Audit Division (2008).

[24] The implementation of the medium-term strategic and institutional plan, 2012; UN-Habitat resource mobilization strategy action plan 2013-2015; Powerpoint presentation to members of the Committee for Programme and Coordination; UN-Habitat donor status sheet, 2014.

[25] Consolidated biennial workplan for 2014-2015, with priorities.

explicitly underscoring that the challenges of urbanization can only be met by cultivating partnerships and catalysing partners to act.

50. Overall, partners interviewed and surveyed expressed mixed views on the success of UN-Habitat in navigating this challenging area. Sixty-four per cent of partners surveyed, for example, claimed to have a clear understanding of how their partnership with UN-Habitat was defined, and government officials in three case-study countries pinpointed UN-Habitat as their "partner of choice", citing its strong client orientation and technical expertise as key areas of strength in comparison with others. At the same time, these partners voiced concerns about the length of procurement time in UN-Habitat, which are delays with potentially serious consequences for local authorities' legitimacy, particularly in fragile States (see paras. 34 and 44-47 above).

51. Despite the centrality of partnerships, UN-Habitat has yet to establish a mechanism for governing and managing them: a finalized strategy; a consolidated and widely available database (see para. 11 above); guidelines and criteria on partner selection; or mechanisms for reviewing ongoing and discontinued partnerships. In 2010, an OIOS audit recommended that UN-Habitat expedite the implementation of a partnership strategy, which the agency drafted in May 2011. The strategy was never formalized, however, owing reportedly to the reorganization of the agency. The effort was resurrected in 2013 but the final document, scheduled for finalization in December 2013, was still in draft form as of September 2014. The strategy is rescheduled for completion before the second session of the preparatory committee for the United Nations Conference on Housing and Sustainable Urban Development (Habitat III), in April 2015. This will entail a delay of almost four years in implementing the original audit recommendation. Although a parallel process of partner consultation for Habitat III is currently ongoing,[26] the absence of a strong partnership strategy could compromise preparations for Habitat III itself.

**Resource mobilization**

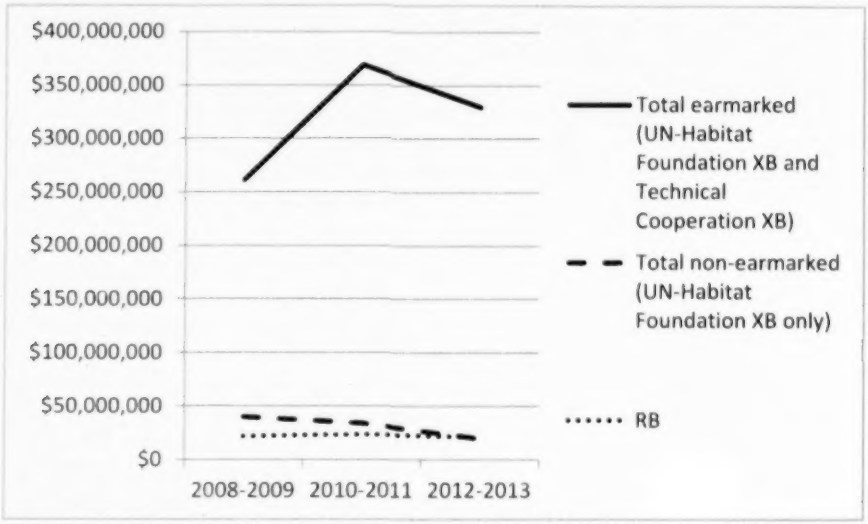
52. In addition to its regular budget and extrabudgetary funding, UN-Habitat is supported by an extrabudgetary-resourced UN-Habitat Foundation, funded by earmarked and non-earmarked voluntary contributions, and an extrabudgetary-resourced technical cooperation account, funded by earmarked contributions. Total earmarked contributions, Foundation earmarked contributions and technical cooperation contributions have increased by 26 per cent, from $261 million in 2008-2009 to $329.5 million in 2012-2013. In contrast, Foundation non-earmarked contributions dropped by 51 per cent, from $39.7 million in 2008-2009 to $19.5 million in 2012-2013. These declining non-earmarked resources, together with resources from the regular budget, fund the programme support functions of UN-Habitat. Their reduction has therefore resulted in shortfalls in these vital functions. Figure VII, building on figure I, graphically portrays these trends.

[26] UN-Habitat asked more than 500 partners how they wished to be involved in Habitat III, but the results of these consultations were not available during the drafting of the present report.

Figure VII

**Earmarking trends in UN-Habitat extrabudgetary funding, UN-Habitat Foundation and technical cooperation (extrabudgetary), 2008-2013**

(United States dollars)




*Abbreviations*: RB, regular budget; XB, extrabudgetary.

53. To address its funding shortfalls and amass the resources needed to achieve its objectives for the period 2014-2019, in 2013 UN-Habitat developed a resource mobilization strategy and established the Donor Relations and Resource Mobilization Service. The strategy provides a description of funding sources and the changing donor landscape and enumerates a series of guiding principles. The Service has set up a donor information system, with profiles outlining donor priorities and expectations. It has also produced information packages presenting the significant work and accomplishments of UN-Habitat overall and in the regions.

54. Critical gaps in the resource mobilization strategy remain, however, if it is to serve as a road map for guiding the agency towards a stronger financial position in 2014-2019. Although it articulates two concrete targets, it does not specify a plan to reach these and by what date, or who will be responsible. Moreover, the strategy outlines a decentralized fundraising model, whereby all staff are, to varying degrees, responsible for mobilizing resources in the form of projects. A number of country-based staff expressed concerns at having to "fundraise [their own] salaries", with no indication that support was forthcoming to help them to build the skills for this role alongside their substantive roles. Ten staff interviewed further suggested that this model had led to increased internal competition for scarce resources.[27]

55. Accordingly, OIOS noted a general lack of clarity among staff on the resource mobilization strategy. Among staff at the Professional and Director levels (both in headquarters and in the field), 70 per cent responded that they disagreed strongly or

[27] Of the staff at the Professional, Director and National Professional Officer levels responding to the survey, more than half (55 per cent) believed that their unit competed with other offices for resources.

somewhat strongly that UN-Habitat had a clear resource mobilization strategy. Furthermore, among senior management,[28] of more than 20 policies and strategies listed, although the resource mobilization strategy was the third most widely read (86 per cent had read it), it also garnered the highest percentage of respondents (52 per cent) claiming that its implementation was somewhat or very unclear.

## F. UN-Habitat has improved its programmatic mainstreaming of gender, but other cross-cutting issues have lagged behind in comparison

56. UN-Habitat has long sought to incorporate the lens of gender, human rights, youth and climate change into its work. Beginning with the strategic plan for the period 2014-2019, the agency elevated all four areas to the status of cross-cutting issues. Although it has taken steps to effectively mainstream gender throughout its programmes, and has done so with limited resources, UN-Habitat has not similarly embedded its other cross-cutting priorities.

### Gender

57. In response to recommendations from recent evaluations and reviews,[29] UN-Habitat undertook a number of measures to improve its mainstreaming of gender in 2012-2013. These include the establishment of a dedicated Gender Unit; the development of a clear Gender and Policy Plan for 2014-2019; and the establishment of the high-level Advisory Group on Gender Issues to advise the Executive Director.

58. Despite these advances, evidence for their outcomes is mixed. In Myanmar, women involved in the agency's largest country-based project consistently reported that their inclusion in village development committees, this owing to the participatory approach of UN-Habitat (i.e., People's Process), had constituted the first time they had been included in major decisions that affected them — and that it had translated into a sense of volition in other aspects of their lives. By contrast, in Somalia, female internally displaced persons in several locations voiced concerns about the insecurity of their UN-Habitat-built shelters, a risk corroborated by photographic evidence. Gender disparities also persist at the human resources level, with a low percentage of senior management posts at the P-5, D-1 and D-2 levels occupied by females (19.1 per cent).

### Human rights

59. In 2013, in its resolution 24/11, the Governing Council approved the mainstreaming of human rights as a cross-cutting issue in UN-Habitat (see A/68/8, annex). The agency has yet to finalize and implement, however, all aspects of its draft human rights strategy of 2013 aimed at implementing the resolution (see HSP/GC/24/2/Add.7). The strategy also states that achieving mainstreaming requires a dedicated unit, support from senior management, a system of focal points and a human rights advisory group. It further suggests the development of a policy

[28] Office of the Under-Secretary-General, Assistant Secretary-General, D-2, D-1, P-5 and P-4. N=36.

[29] Evaluation of Gender Mainstreaming in UN-Habitat (2011), Recommendations for a Revised Gender Architecture at UN-Habitat (2013).

statement confirming high-level commitment, a programme document with clear expected results and an implementation guide for staff. According to the responsible staff, the focal point system is active but the implementation of the policy statement, project document and guidelines has not yet occurred.

**Climate change and youth**

60. Neither climate change nor youth has held the same status as gender, with a fully adequate architecture through which to ensure institutional mainstreaming. Focal points exist for both areas, but they work out of individual substantive branches, and responsible personnel are tasked primarily with project implementation and resource mobilization. Cross-cutting work on youth and climate change has chiefly occurred though the implementation of interdivisional projects and the inclusion of activities related to climate change and youth by projects in different branches and regional offices. Work on climate change has occurred in much the same way, with the added benefit of the formally approved agency-wide Climate Change Strategy.

# IV. Conclusion

61. UN-Habitat has emerged to fill a vital niche in an issue of growing global priority, sustainable urbanization. Moreover, despite a significant downturn in core resources, UN-Habitat has continued to implement an ambitious agenda, delivering activities and outputs consistent with its human settlements mandate and valued by its stakeholders. It also launched a wide range of improvements in how it plans for, manages towards and assesses its performance as it moves into its second six-year strategic plan, the strategic plan for the period 2014-2019.

62. At the same time, there are gaps that could hinder the effectiveness, efficiency and relevance of UN-Habitat in achieving its objectives for 2014-2019, and in seizing the opportunities presented by Habitat III. Its focus on sustainable urbanization has yet to reach all corners of the organization, and roles and responsibilities for key aspects of these results are not uniformly clear. In addition, it still lacks a number of internal processes and functions to help in maximizing performance. These include risk management, information and knowledge management, clear resource mobilization and partnership strategies, and robust assessment of the outcomes of its work, even among its more mature and higher-risk programmes.

# V. Recommendations

63. OIOS makes the following seven recommendations, which it deems to be important according to its criticality rating system.

**Recommendation 1 [see paras. 44-47]**

64. UN-Habitat should strengthen its risk management approach, including, at a minimum, a policy and plan of action articulating its:

- Mechanism for systematically identifying and prioritizing risks at each organizational level, and for assessing the agency's vulnerability to each
- Identification of specific corporate risks

- Plan for managing and monitoring each risk, communicated to all relevant staff and consultants.

**Recommendation 2 [see paras. 24-26, 31, 36-38, 42]**

65. The Office of the Executive Director should finalize an accountability framework, aligned with the UN-Habitat ST/SGB and with relevant work undertaken at the Secretariat-wide level.

**Recommendation 3 [see paras. 24-26]**

66. UN-Habitat should complete regional strategic plans in all regional offices, and resume the development of Habitat Country Programme Documents in priority country programmes. Towards this end, the Programme Division should develop:

- A list of priority country programmes requiring Habitat Country Programme Documents, rooted in its risk management exercise
- Clear criteria for ensuring the alignment of regional strategic plans and Habitat Country Programme Documents with overarching corporate priorities within their specific regional and country context, along with any further elements each must address
- Habitat Country Programme Document, borrowing on existing exemplars, to facilitate the cost-effective adoption of the Documents.

**Recommendation 4 [see paras. 24-26, 36-38, 39-43, 47]**

67. UN-Habitat should revise and implement the quality assurance responsibilities entrusted to the Project Advisory Group, namely by:

- Updating the project document template to reflect the focus areas of the strategic plan for 2014-2019 and other key elements cited in the present report (e.g., the alignment of project documents with regional strategic plans and Habitat Country Programme Documents, risk management, monitoring and evaluation, and so on)
- Embedding the quality at entry/formulation checklist into the project accrual and accountability system, making it impossible for projects to be approved until all elements in the checklists are rated as satisfactory
- Articulating steps for managing conflicts of interest in the project approval process, while ensuring that feedback from relevant stakeholders at all three levels of the organization informs the project approval process
- Ensuring that the project accrual and accountability system is continuously updated, including with meeting minutes of the Project Advisory Group.

**Recommendation 5 [see paras. 12-21]**

68. Beginning with its next evaluation plan, UN-Habitat should use a risk-based approach to identify those global initiatives and country programmes most in need of evaluation, and ensure that sufficient funds are located to evaluate these areas. UN-Habitat should consider commissioning:

- An evaluability assessment of the strategic plan for the period 2014-2019
- Midterm and final evaluations of the strategic plan
- Evaluations of the Achieving Sustainable Urban Development initiative and, in accordance with the peer review of 2010 and the inception paper underlying the present evaluation, its work in humanitarian action.

**Recommendation 6 [see paras. 11, 39-43]**

69. UN-Habitat should strengthen its systems for organizing, storing and sharing information and knowledge. This would entail:

- Finalizing the terms of reference and location of the Knowledge Management Unit
- Creating and updating quarterly a list of all staff contracted by third parties
- Updating its Intranet on at least a monthly basis
- Facilitating more systematic sharing of lessons and good practice across the agency
- Requiring that regional strategic plans and Habitat Country Programme Documents, as well as project submissions to the Project Advisory Group, identify the lessons and good practice which have informed their proposals.

**Recommendation 7 [see paras. 48-55]**

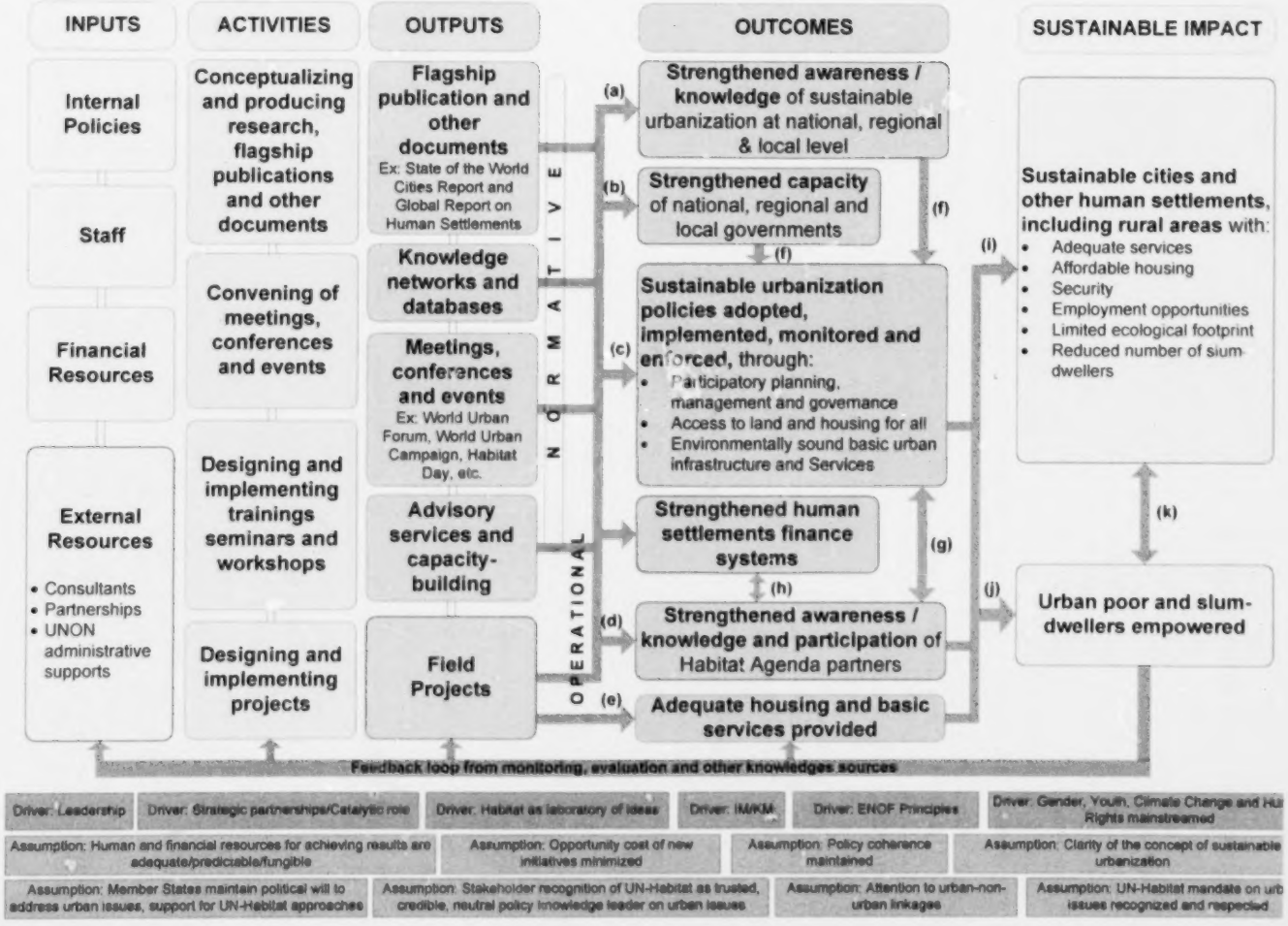
70. UN-Habitat should conclude the resource mobilization strategy action plan and, by the revised deadline of April 2015, the partnership strategy. Both should include a comprehensive list of specific actions required, accompanied by specific timelines and roles and responsibilities. More immediately, it should identify those partnerships most critical for maximizing the success of Habitat III.

(*Signed*) Carman L. **Lapointe**
Under-Secretary-General for Internal Oversight Services

22 December 2014

# Annex I

## UN-Habitat Programme Impact Pathway for 2008-2013


INPUTS
ACTIVITIES
OUTPUTS
OUTCOMES
SUSTAINABLE IMPACT
Internal Policies
Staff
Financial Resources
External Resources
• Consultants
• Partnerships
• UNON administrative supports
Conceptualizing and producing research, flagship publications and other documents
Convening of meetings, conferences and events
Designing and implementing trainings seminars and workshops
Designing and implementing projects
Flagship publication and other documents
Ex: State of the World Cities Report and Global Report on Human Settlements
Knowledge networks and databases
Meetings, conferences and events
Ex: World Urban Forum, World Urban Campaign, Habitat Day, etc.
Advisory services and capacity-building
Field Projects
NORMATIVE
OPERATIONAL
(a)
(b)
(c)
(d)
(e)
(f)
(g)
(h)
(i)
(j)
(k)
Strengthened awareness / knowledge of sustainable urbanization at national, regional & local level
Strengthened capacity of national, regional and local governments
Sustainable urbanization policies adopted, implemented, monitored and enforced, through:
• Participatory planning, management and governance
• Access to land and housing for all
• Environmentally sound basic urban infrastructure and Services
Strengthened human settlements finance systems
Strengthened awareness / knowledge and participation of Habitat Agenda partners
Adequate housing and basic services provided
Sustainable cities and other human settlements, including rural areas with:
• Adequate services
• Affordable housing
• Security
• Employment opportunities
• Limited ecological footprint
• Reduced number of slum dwellers
Urban poor and slum-dwellers empowered
Feedback loop from monitoring, evaluation and other knowledges sources
Driver: Leadership
Driver: Strategic partnerships/Catalytic role
Driver: Habitat as laboratory of ideas
Driver: IM/KM
Driver: ENOF Principles
Driver: Gender, Youth, Climate Change and Hu Rights mainstreamed
Assumption: Human and financial resources for achieving results are adequate/predicable/fungible
Assumption: Opportunity cost of new initiatives minimized
Assumption: Policy coherance maintained
Assumption: Clarity of the concept of sustainable urbanization
Assumption: Member States maintain political will to address urban issues, support for UN-Habitat approaches
Assumption: Stakeholder recognition of UN-Habitat as trusted, credible, neutral policy knowledge leader on urban issues
Assumption: Attention to urban-non-urban linkages
Assumption: UN-Habitat mandate on urb issues recognized and respected

*Abbreviations*: IM/KM, information management/knowledge management; ENOF, Enhanced Normative and Operational Framework.

# Annex II[a]

## Comments of management

1. UN-Habitat management is pleased to submit its response to the report of the Office of Internal Oversight Services (OIOS) on evaluation of UN-Habitat. Management welcomes the report and thanks the Inspection and Evaluation Division of OIOS for its candid assessment and feedback on UN-Habitat. The management has reviewed the report and presents its response in the form of a general response to the issues raised and discussed in the report, and specific responses to each of the report's recommendations in the attached Action Plan.

2. The report has highlighted areas of strength as well as weaknesses in the work of UN-Habitat and its recommendations that will form the basis for further improvements in UN-Habitat operations. In particular, the management is pleased to note the positive findings on UN-Habitat, which show that the Programme is making measurable improvements in its approach to defining and managing towards its targeted results, has greater structural alignment to its corporate results, and has developed mechanisms for improving the quality of its projects. The management is pleased with the recognition of the roll-out of the project accrual and accountability system, the key policies to steer the organization towards the results targeted in 2014-2019, and improved gender mainstreaming. With regard to areas requiring improvement, the management will strengthen its risk management and accountability frameworks, information and knowledge management, resource mobilization, evaluation coverage and partnerships.

3. While appreciating the overall findings of the report, management notes important strategic issues and significant efforts made to advance the urban agenda were missed or would need further clarification in the report. The management takes this opportunity to express its opinion on these issues.

**Mandate, organization and resources**

4. Since 2011, UN-Habitat has embarked on organizational reform to deliver more effectively and efficiently on its mandate. The agency has evolved fundamentally in terms of sustainable urbanization vision, thematic focus, programmatic, operational capacities and business models. These efforts are not well presented in the background section.

5. The governance and institutional structure of UN-Habitat is also a challenge. Belonging to the United Nations Secretariat — while at the same time operating as a member of the funds and programmes of the United Nations — poses a challenge to the organization in its efforts to comply with United Nations Secretariat requirements that at times do not actively support the multitude of mandates that the Member States ask UN-Habitat to deliver on as a programme. Nor is the United Nations Secretariat suited to the efficient and effective delivery of a development programme in the field. UN-Habitat is similarly constrained by its current governance arrangements, the

[a] In the present annex, OIOS presents the full text of comments from the United Nations High Human Settlements Programme (UN-Habitat). This practice has been instituted pursuant to General Assembly resolution 64/263, following the recommendation of the Independent Audit Advisory Committee.

reform of which is contested by Member States, and which has a direct impact on funding from donors. A comprehensive review of UN-Habitat was undertaken in 2011, and the UN-Habitat Governing Council, at its most recent session, deliberated at length on how to strengthen the governance of the agency. UN-Habitat continues to support efforts to take the issue forward, but governance remains fundamentally in the hands of Member States. UN-Habitat is grateful for renewed efforts by Member States to move forward on this issue, and will do everything possible to support the efforts of co-facilitators.

6. The report is clear about the decline of non-earmarked funding. UN-Habitat remains exposed to the financial risk of unpredictable funding. Most of the increased voluntary contributions are limited to earmarked funding. The non-earmarked income for its core budget is inadequate to respond to core functions identified in the report and other organization priorities. As a result, the full implementation of the recommendations will be hampered by the resource constraints.

**Inadequate investment in outcome-focused evaluations**

7. The management is aware that the evaluation function is not yet at the desired level. UN-Habitat is committed, however, to strengthening the role of evaluation in the overall context of results-based management to improve efficiency, effectiveness, accountability and transparency. In 2012, it established the independent Evaluation Unit as part of organizational restructuring. In January 2013, the UN-Habitat Evaluation Policy was approved by the UN-Habitat Management Board, and has been implemented since. An evaluation recommendation tracking system as a mechanism to systematically follow-up on the implementation of evaluation recommendations is in place. All these efforts are positioning the evaluation function of UN-Habitat to improve in assessing organizational performance, supporting accountability and contributing to organizational learning. The resources for evaluation are still insufficient, however, especially for outcome-focused evaluations. The management will attempt to address this throughout the implementation of the strategic plan, but overall resource constraints will continue to have an impact on the work of UN-Habitat.

**Positioning UN-Habitat as the lead United Nations programme on sustainable urbanization**

8. The management welcomes the acknowledgement that UN-Habitat has succeeded in positioning itself as the lead United Nations agency responsible for sustainable urbanization, and that Member States have recognized the growing challenges of urbanization and the relevant role of UN-Habitat in addressing them. The report mentions the Rio+20 outcomes and the post-2015 development agenda as well as the proposal of the Open Working Group of the General Assembly on Sustainable Development Goals for a stand-alone sustainable development goal, namely to "Make cities and human settlements inclusive, safe, resilient and sustainable (July 2014). It does not, however, mention other important global processes and outcomes. For example, at the first integration segment of the Economic and Social Council, the Council focused on sustainable urbanization as the priority theme and underlined the transformative power of sustainable urbanization in achieving sustainable development (May 2014). In addition, the Secretary-General's Climate Summit prioritized "cities" as one of the priority action

areas (September 2014). UN-Habitat has also embarked on a broad mobilization of Habitat Agenda partners around the "New Urban Agenda" through the World Urban Campaign.

9. Significant achievements have also been made to enhance harmonized collaboration within the United Nations system on sustainable urbanization. This includes the Open Working Group of the General Assembly on Sustainable Development Goals; the High-level Committee on Programmes issues paper on a new United Nations agenda on urbanization and sustainable development; the World Humanitarian Summit; networks on issues related to urbanization, including humanitarian settings and emergencies, that bring together different parts of the United Nations system; and the development of a system-wide gender scorecard to ensure that gender is mainstreamed in the activities of the Organization.

10. It was observed in paragraph 23 of the report that the strategic plan and framework does not point explicitly to how to bridge the rural-urban focus. This is not the intention of these two documents — they highlight what UN-Habitat is supposed to do and deliver. But the basis of the strategic plan is partly about addressing this issue — it is not an "alternative" subject — it is fundamental to what the agency does. Other tools are used to address the problem raised here. In particular, UN-Habitat has already decided to re-establish the regional strategic plans and Habitat Country Programme Documents, which are intended to be the framework around which this issue will be addressed. It also engages on a regular basis with the Committee of Permanent Representatives to address this problem at the policy level. A proposal has been made to the Committee to discuss this as the special theme at the next session of the Governing Council. Overall, this is a matter that is subject to constant dialogue with Member States and other partners.

**UN-Habitat has made measurable progress in its approach to planning, managing towards and assessing its targeted results in 2014-2019**

11. UN-Habitat welcomes the acknowledgement by OIOS of the organizational improvements in planning for, managing towards and assessing its targeted results in 2014-2019. However, UN-Habitat disagrees with the narrative in paragraphs 31 and 36, which are related to awareness of UN-Habitat key policies and internal coordination. The management recognizes that work needs to be done in the dissemination of policies, but not all staff need to know or implement every strategy. It is the impression of the management that the wrong question was asked in interviews and surveys, and a more nuanced approach may have resulted in a richer response.

**Structural constraints, as well as weaknesses in critical internal functions and processes have hampered the agency's ability to achieve results**

12. The management notes the areas of risk identified in the report and is committed to continuous improvement in mitigating these risks. In this context, UN-Habitat is working with the Department of Management of the Secretariat to address structural problems so as to achieve a more efficient and effective service delivery model for country operations, particularly with regard to the delegation of authority, procurement and recruitment. The Chef de Cabinet has now ruled that, for the next two and a half years, existing arrangements on procurement will be maintained with the delegation of authority of the Executive Directors intact,

subject to an evaluation at the end. It is expected that Umoja will be a useful vehicle for achieving improvements in the agency's service delivery model.

13. UN-Habitat has also established a clear structure that is consistent with the United Nations Secretariat governance and implementation frameworks to support the successful implementation of and smooth transition to Umoja so as to realize major improvements in business processes. The organization also actively participates in the United Nations human resources network on system-wide human resource reforms.

14. The report does not sufficiently underscore the strengthened relationships between headquarters, the regional offices and the liaison offices, which is the result of the organizational reform that introduced a matrix organizational structure aimed at better coordination, synergy and integration of the UN-Habitat strategic plan, its global and normative work, and its operational programmes in regions and countries.

15. The management also feels that the contention in paragraph 36 that there is poor internal coordination is not entirely well founded, and again may reflect the types of questions asked of staff. The paragraph portrays a situation in which coordination depends upon personal relationships, rather than working through institutional mechanisms. The management is grateful for the recognition that a formal coordination structure is in place, but it should be noted that personal relationships are widely accepted to be a necessary (but not the sole) component of coordination — without which the best designed systems cannot work. Nonetheless, there is certainly room for improvement, and the management will attempt to ensure that managers in particular follow up on board meetings with their staff, and that a more efficient management of the development and dissemination of new policies is achieved.

**Resource mobilization**

16. The success of UN-Habitat at mobilizing earmarked funds reflects the continuing demand for its support to Member States in the areas of sustainable urbanization and human settlements. It has been more difficult, however, to mobilize non-earmarked resources for core activities. UN-Habitat is reviewing its resource mobilization strategy and action plan to ensure that they are better aligned to the shifting donor landscape, including the development of large thematic, regional and country programmes that incorporate both normative and operational aspects of sustainable urbanization, and which are linked to countries' development priorities as well as the approved UN-Habitat strategic plan for the period 2014-2019.

17. The report mentions progress in advancing the resource mobilization function, such as the creation of the Donor Relations and Resource Mobilization Service, and a donor information system. It does not mention other important progress achieved in improving sustained dialogue with major donor countries, traditional and emerging and non-State actors. This has resulted in UN-Habitat increasing and diversifying its donor base between 2010 and 2013, thereby reducing its dependence on traditional donor countries. UN-Habitat recognizes the need to strengthen its decentralized resource mobilization model with a reinforced definition of roles and responsibilities and additional elements such as increased training and coaching of responsible staff. In this regard, in the past few months UN-Habitat has strengthened its work at the corporate level, initiating resource mobilization action

plans at the regional level so as to increase earmarked contributions and support the fundraising efforts of the organization in voluntary non-earmarked contributions.

**Cross-cutting issues**

18. Although the report acknowledges the agency's four cross-cutting issues, namely gender, youth, climate change and human rights, and further has captured progress made on the cross-cutting issue of gender, it failed to acknowledge progress across the three other cross-cutting issues.

19. UN-Habitat has recently strengthened and broadened its novel initiative to mainstream and promote human rights. As part of the United Nations family, UN-Habitat is mandated to respect, promote, and protect human rights and promote the rule of law in its activities. Following the strong commitment and prominent featuring of human rights in the vision of the Executive Director, the mainstreaming of human rights was approved as a priority issue by the UN-Habitat Governing Council in early 2013, through its inclusion in the strategic plan for the period 2014-2019. While all the activities of UN-Habitat are underpinned by the values of the Universal Declaration on Human Rights, the Programme, as part of the United Nations Development Group, has additionally endorsed human rights mainstreaming as one of its priorities. It is explicitly applying human rights mainstreaming to its strategies and programmatic implementation. UN-Habitat took up cooperation with the Office of the United Nations High Commissioner for Human Rights as early as 2002 to work together for the comprehensive and progressive realization of housing rights under the auspices of the joint United Nations Housing Rights Programme.

20. The operational phase of the human rights mainstreaming process began in early 2014. All of the interventions of UN-Habitat are thus underpinned by universal values that promote the adoption and implementation of a strong human rights-based approach to development. For instance, UN-Habitat is the key agency for the implementation of two specific rights — the right to adequate housing and the right to safe drinking water and sanitation ("basic services").

21. As the Programme is still in a phase where the emphasis is placed on conceptualizing the institutional structure and culture of human rights mainstreaming in UN-Habitat, one of the pillars of recent activities was to provide guidance and training to staff and senior management. Two human rights senior management retreats were held in 2013, as well as an all-staff training on the human rights-based approach to human settlements development. Meanwhile, a UN-Habitat programmatic guidance note on human rights has been developed and other technical advisory/guidance materials, including a human rights handbook, are in progress. In addition, a set of checklists has been developed for the conceptualization and evaluation phase of projects. Another checklist guides consultants on assessing the conformity, with respect to human rights, of housing policies and housing sectors as such in countries all over the world. These initiatives were met with great enthusiasm by UN-Habitat staff.

22. Moreover, as part and parcel of a strengthened emphasis on delivering as one, UN-Habitat has systematically engaged with the human rights monitoring mechanism, the universal periodic review. Comprehensive guidance has been provided to partners in the regional and country offices in this regard. Those activities have contributed significantly to conceptualizing the United Nations human rights agenda in relation to the mandate of UN-Habitat. Investment in learning and capacity-

building on the human rights-based agenda has led to colleagues' and partners' greater understanding and ownership of rights-based human settlements development.

23. Although the report touches upon how youth has been elevated to a cross-cutting issue to be mainstreamed in UN-Habitat, it did not provide sufficient attention to the programmatic work that has been undertaken, for example, the joint programming of the Youth Unit with the different units of the agency and its implications for mainstreaming the youth work across the sub-programmes. The report failed to refer to the key role that UN-Habitat has held within the United Nations Inter-Agency Network on Youth Development and its involvement in developing the System-wide Action Plan on Youth. Through the Inter-Agency Network, UN-Habitat also works very closely with the Department of Economic and Social Affairs of the Secretariat and the Envoy of the Secretary-General on Youth in supporting efforts that enhance the political, social and economic role and influence of youth at the global, regional and national levels.

24. With regard to the cross-cutting issue of climate change, in 2011 and 2012, the Cities and Climate Change Initiative developed a checklist to ensure gender mainstreaming in all projects and in city-level climate change assessments and tested that tool in Kampala and Kathmandu.

**Conclusion**

25. The management reiterates its strong commitment to further improving its effectiveness and accountability at both the programmatic and operational levels but this will depend on funding to the organization. The management action plan provides specific elaboration on how UN-Habitat will implement the recommendations (see annex III).

# Annex III

## UN-Habitat Action Plan

| *Recommendation of the Inspection and Evaluation Division* | *Anticipated actions* | *Responsible entity(ies)* | *Target date for completion* |
|---|---|---|---|
| **Recommendation 1 [see paras. 44-47]**<br><br>UN-Habitat should strengthen its risk management approach, including, at a minimum, by developing a policy and plan of action articulating its:<br><br>• Mechanism for systematically identifying and prioritizing risks at each organizational level, and for assessing the agency's vulnerability to each<br><br>• Identification of specific corporate risks<br><br>• Plan for managing and monitoring each risk, communicated to all relevant staff and consultants (para. 64). | **The recommendation is accepted.**<br><br>UN-Habitat management notes the areas of risk identified in the OIOS evaluation report and is committed to continuous improvement in mitigating these risks. The recommendation will be implemented through the following actions:<br><br>Strengthening of the UN-Habitat risk management policy;<br><br>Development of a plan of action for managing and monitoring each risk;<br><br>The terms of reference for the two activities have already been developed. UN-Habitat developed the top-ten organizational key risks and its controls in the areas of: insecurity in Kenya; fragile funding structure; administrative issues; the necessary tools for humanitarian implementation; staff skills and retention; managing expectations; dependence on regional and project country offices; optimizing the mandate of UN-Habitat in delivering as one; governance structure; and issues relating to the International Public Sector Accounting Standards and Umoja. | Quality Assurance Unit, Office of Management<br><br>Programme Division, for risks related to projects under formulation and implementation<br><br>UN-Habitat Board, for approval of the policy and the plan of action | **30 April 2015** |

| *Recommendation of the Inspection and Evaluation Division* | *Anticipated actions* | *Responsible entity(ies)* | *Target date for completion* |
|---|---|---|---|
| | A feature has already been implemented in the project accrual and accountability system to consolidate all risks of the UN-Habitat project portfolio in a single database so as to facilitate corporate-wide risk analysis of the portfolio, including by country, region and risk type. | | |
| **Recommendation 2 [see paras. 24-26, 31, 36-38, 42]**<br><br>The Office of the Executive Director should finalize an accountability framework, aligned with the UN-Habitat ST/SGB and with relevant work undertaken at the Secretariat-wide level (para. 65). | **The recommendation is accepted.**<br><br>UN-Habitat has an accountability policy for its staff members to be answerable for delivering specific results. The organizational responsibility and accountability policy is attached for OIOS review.<br><br>The policy is in alignment with the draft UN-Habitat ST/SGB currently under review for approval by United Nations Headquarters, and follows the structure and principles of other accountability frameworks of United Nations system agencies.<br><br>It does require strengthening to meet the needs of the Programme. | | **30 June 2015** |
| **Recommendation 3 [see paras. 24-26]**<br><br>UN-Habitat should complete regional strategic plans in all regional offices, and resume the development of Habitat Country Programme Documents in priority country programmes. Towards this end, the Programme Division should develop: | **The recommendation is accepted.**<br><br>Habitat Country Programme Documents are good instruments for aligning UN-Habitat priorities with regional and national priorities and United Nations Development Assistance Framework (UNDAF) activities. UN-Habitat will implement the recommendation through the following actions: | Directors of regional offices<br><br>Programme Division<br><br>Operations Division | **30 December 2015** |

| *Recommendation of the Inspection and Evaluation Division* | *Anticipated actions* | *Responsible entity(ies)* | *Target date for completion* |
|---|---|---|---|
| • A list of priority country programmes requiring Habitat Country Programme Documents, rooted in its risk management exercise | Development of regional strategic plans in all regional offices (4 plans); | | |
| • Clear criteria for ensuring alignment of regional strategic plans and Habitat Country Programme Documents with overarching corporate priorities within their specific regional and country context, along with any further elements each must address; and | Development of Habitat Country Programme Documents in priority country programmes (at least 10 Habitat Country Programme Documents by end of 2015); | | |
| • Habitat Country Programme Document templates, borrowing on existing exemplars, to facilitate cost-effective adoption of the Documents (para. 66). | Criteria for alignment of regional strategic plans and Habitat Country Programme Documents will be developed taking into account specifics of the regional and country context, and the urban development agenda; | | |
| | A template for development of Habitat Country Programme Documents will be provided so that the Documents follow a standardized format. | | |
| **Recommendation 4 [see paras. 24-26, 36-38, 39-43, 47]** | **The recommendation is accepted.** | Programme Division | **30 December 2015** |
| UN-Habitat should revise and implement the quality assurance responsibilities entrusted to the Project Advisory Group, namely by: | As noted by the OIOS report, the Project Advisory Group has fostered formal coordination and strengthened the quality assurance of project documents. It has also ensured that projects are aligned with organizational objectives. Further actions to implement the recommendation include: | Office of Management | |
| • Updating the project document template to reflect the focus areas of the strategic plan for 2014-2019 and other key elements cited in the present report (e.g., alignment of project documents with regional strategic plans and Habitat Country Programme Documents, risk management, monitoring and evaluation, and so on) | Review and revise the quality assurance responsibilities of the Project Advisory Group; | | |
| | Updating the project document template to reflect alignment with regional strategic plans, Habitat Country Programme Documents and UNDAF; | | |

| *Recommendation of the Inspection and Evaluation Division* | *Anticipated actions* | *Responsible entity(ies)* | *Target date for completion* |
|---|---|---|---|
| • Embedding the quality at entry/ formulation checklist into the project accrual and accountability system, making it impossible for projects to be approved until all elements in the checklists are rated as satisfactory<br>• Articulating steps for managing conflicts of interest in the project approval process, while ensuring that feedback from relevant stakeholders at all three levels of the organization informs the project approval process<br>• Ensuring that the project accrual and accountability system is continuously updated, including with meeting minutes of the Project Advisory Group (para. 67). | Embedding quality assurance into the project accrual and accountability system so that it becomes impossible for projects to be approved and access funds until all elements in the checklist are satisfactory;<br>Articulating steps to minimize potential conflict of interest, for example staff proposing projects not being involved in approving their projects;<br>Ensuring that project information is continuously updated and monitoring that information on projects is entered in the project accrual and accountability system;<br>A risk management feature has already been added in the project accrual and accountability system to aggregate all projects risks;<br>A lessons learned and best practices feature has been added in the project accrual and accountability system that aggregates all good practices and lessons learned into an e-library of consolidated databases. | | |
| **Recommendation 5 [see paras. 12-21]**<br>Beginning with its next evaluation plan, UN-Habitat should use a risk-based approach to identify those global initiatives and country programmes most in need of evaluation, and ensure that sufficient funds are located to evaluate these areas. UN-Habitat should consider commissioning:<br>• An evaluability assessment of the strategic plan for the period 2014-2019 | **The recommendation is accepted.**<br>UN-Habitat is committed to strengthening the role of evaluation in its work and all approved programmes and projects must have budgeted evaluation plans. The suggested actions to implement this recommendation including evaluation of midterm and final evaluations were planned in the Strategic Plan 2014-2019.<br>Evaluability assessment of the Strategic Plan will be conducted by the second quarter of 2015, midterm in 2017 and final evaluation in 2019. | Evaluation Unit<br>Project Advisory Group<br>UN-Habitat Board<br>Office of Management | Evaluability assessment of the strategic plan to be conducted by the end of June 2015<br>Midterm evaluation of the strategic plan to be conducted by the end of April 2017<br>Final evaluation of the strategic plan to be conducted by the end of 2019 |

| *Recommendation of the Inspection and Evaluation Division* | *Anticipated actions* | *Responsible entity(ies)* | *Target date for completion* |
|---|---|---|---|
| • Midterm and final evaluations of the strategic plan<br>• Evaluations of the Achieving Sustainable Urban Development initiative and, in accordance with the peer review of 2010 and the inception paper underlying the present evaluation, its work in humanitarian action (para. 68). | Evaluation of the Achieving Sustainable Urban Development initiative, selected global initiatives and at least one humanitarian evaluation will be prioritized and included in evaluation plan for 2016-2017. | | The above-mentioned evaluations will be conducted if resources are available<br>**December 2017** |
| **Recommendation 6 [see paras. 11, 39-43]**<br>UN-Habitat should strengthen its systems for organizing, storing and sharing information and knowledge. This would entail:<br>• Finalizing the terms of reference and location of the Knowledge Management Unit<br>• Creating and updating quarterly a list of all staff contracted by third parties<br>• Updating its Intranet on at least a monthly basis<br>• Facilitating more systematic sharing of lessons and good practice across the agency<br>• Requiring that regional strategic plans and Habitat Country Programme Documents, as well as project submissions to the Project Advisory Group, identify the lessons and good practice which have informed their proposals (para. 69). | **The recommendation is accepted.**<br>UN-Habitat notes the recommendations on knowledge management detailed in the OIOS report. It will implement the recommendation through the following actions:<br>Finalization of the terms of reference and location of the Knowledge Management Unit and responsibilities through communication internally in UN-Habitat;<br>Revision of the knowledge management strategy;<br>Ensuring the quarterly updating of a list of all staff contracted by third parties;<br>Updating its Intranet on monthly basis;<br>Facilitating more systematic sharing of lessons and good practice across the agency;<br>Identification of lessons and incorporating them in the project cycle. | Office of Management<br>Advocacy, Outreach and Communication Branch<br>Office of the Executive Director | **June 2015** |

| *Recommendation of the Inspection and Evaluation Division* | *Anticipated actions* | *Responsible entity(ies)* | *Target date for completion* |
|---|---|---|---|
| **Recommendation 7 [see paras. 48-55]**<br><br>UN-Habitat should conclude the resource mobilization strategy action plan and, by the revised deadline of April 2015, the partnership strategy. Both should include a comprehensive list of specific actions required, accompanied by specific timelines and roles and responsibilities. More immediately, it should identify those partnerships most critical for maximizing the success of Habitat III (para. 70). | **The recommendation is accepted.**<br><br>UN-Habitat is constrained by decreasing non-earmarked funding and efforts are geared to expand its donor base and increase core funding. The recommendation will be implemented through the following actions:<br><br>Finalization of the resource mobilization action plan in 2015 and its regular updating thereafter;<br><br>Finalization of the partnership strategy;<br><br>Identification of partnerships most critical for maximizing the success of Habitat III, in consultation with the Habitat III secretariat. | Resource Mobilization Unit<br><br>Office of the Executive Director<br><br>Partnership Branch | Finalization of the resource mobilization action plan by April 2015<br><br>Finalization of the partnership strategy<br><br>Identification of partnerships most critical for maximizing the success of Habitat III by December 2015 |